

**KENTUCKY BOARD OF EDUCATION
REGULAR MEETING
DECEMBER 10-11, 2008**

**STATE BOARD ROOM
1ST FLOOR, CAPITAL PLAZA TOWER
FRANKFORT, KENTUCKY**

SUMMARY MINUTES

The Kentucky Board of Education held its regular meeting on December 10-11, 2008, in the State Board Room, First Floor, Capital Plaza Tower, Frankfort, Kentucky. The Board conducted the following business:

Wednesday, December 10, 2008:

AUDIT COMMITTEE MEETING

Chair Brigitte Ramsey called the committee meeting to order at 8:15 a.m. She noted that last time the committee looked at the 2007 statewide single audit and indicated that at this meeting the A-133 Desk Reviews and the Child and Adult Care Food Program for Federal FY2007 would be reviewed. Before moving to the discussion of these audits, Chair Ramsey noted that the committee was sent an update on the Commissioner's and Board's expenses. She asked if there were any questions on those documents. No significant issues were raised.

Next, the committee moved on to look at the A-133 Desk Reviews. Ramsey noted that a few of these had substantial issues. She also stated that she was interested in knowing who the point of contact is for these audits and who is responsible for follow-up when findings exist.

Division Director Michelle Sutton responded that the point of contact for findings would be the district and its CPA. She explained that the department works jointly with the state auditor in resolving any issues. Sutton noted that there are sometimes new audit standards that local district CPAs have not yet incorporated into their procedures. She said that the staff in her division works with the district and starts moving toward getting corrections made immediately.

At this point, the discussion moved to the Child and Adult Care Food Program for Federal FY 2007 audit. Chair Ramsey stated that the centers submit reimbursement for food program costs. She pointed out the fact that there were quite a few changes involving either overpayment or underclaiming. She asked staff how these kinds of changes are handled.

Division Director Paul McElwain responded that once the draft audits are completed, a member of the department's staff contacts the specific program, sends them a copy of the

report and offers them an opportunity to comment. He stated that this gives an opportunity to clear up any misperceptions and then if there is a problem with the program receiving too much money, then the dollars are recovered. McElwain reported that to date, all but two programs that were overpaid have paid the funds back. He noted that one is in appeal and said the other has not responded. McElwain stated that a letter will go to the program that has not responded today cancelling their participation and indicated this program will go on the federal list of disqualification for seven years. He went on to say that if it's a matter of under-claiming what the program needs to be paid, then that entity can file for the amount till they either get the dollars back or they are terminated. He clarified that repayment of an overage is demanded by the end of the calendar year.

Judy Gibbons asked how many programs are audited.

McElwain responded that 12-15 are audited by the State Auditor and another one third of the programs are reviewed by the department. He went on to say that two things are done to address the situations of overpayment in that dollars are recovered and then training is structured to address the findings that are discovered. He indicated that new sponsors are told not to participate if they need these dollars to stay afloat.

Chair Ramsey asked if after training there is sufficient help for these sponsors. Mr. Elwain replied that staff is on call at all times for assistance.

Next, Steve Neal moved to accept the audit reports and Doug Hubbard seconded the motion. The motion carried. The meeting of the committee was adjourned.

CALL TO ORDER

Chair Joe Brothers called the meeting to order at 9:00 a.m. and asked everyone to turn off or mute their cell phones. He noted that the meeting was being broadcast over the Internet.

ROLL CALL

Present for the meeting were Kaye Baird, Joe Brothers, Dorie Combs, Jeanne Ferguson, Judy Gibbons, Billy Harper, Doug Hubbard, Austin Moss, Steve Neal, and Brigitte Ramsey. Absent were C.B. Akins and Richard Crofts.

APPROVAL OF MINUTES FROM THE OCTOBER 6-7, 2008, REGULAR MEETING

Judy Gibbons moved approval of the October 6-7 meeting minutes and Kaye Baird seconded the motion. Brigitte Ramsey then asked that the title of the report referenced in the Audit Committee be checked and if not correct, that this correction be made. The question was called and the motion carried.

INTRODUCTION OF NEW KDE EMPLOYEES AND KDE TEAM MEMBERS OF THE MONTH

Commissioner Jon Draud introduced the following new employees:

- Johnny Collett, Office of Special Instructional Services, Exceptional Children Consultant;
- Troy Teegarden, Office of Special Instructional Services, Education Administration Program Consultant;
- Cathy Greene, Office of Legal, Legislative and Communication Services, Executive Secretary;
- Elizabeth Crane, Office of Leadership and School Improvement, Education Administration Program Consultant;
- Joanna Hendrix, Office of Education Technology, Systems Technical Specialist IT;
- Edith Fultz, Office of Internal Administration and Support, Executive Secretary;
- Greg Rush, Office of Internal Administration and Support, Associate Commissioner;
- Amy Patterson, Office of Teaching and Learning, Education Academic Program Consultant;
- Nicholas Guston, Office of Teaching and Learning, Resource Management Analyst II.

Also introduced were Claudette Tracy, Team Member of the Month for September, Kevin Brown, Team Member of the Month for October and Maria Browning, Team Member of the Month for November.

REPORT OF THE SECRETARY OF THE EDUCATION CABINET

Secretary Helen Mountjoy reported the following:

- This afternoon she will be welcoming the participants of the International Leadership Summit to the conference in Louisville.
- The forecasting group has predicated a \$456.1 million shortfall this fiscal year that must be faced now.
- The Executive Branch has 2,000 less employees than it had five years ago.
- \$430 million was taken out of the budget last year.
- Efficiencies won't yield the amount of money needed to cover the shortfall, so the Governor is looking at strategies. He met with House and Senate leaders yesterday on this topic.

- Three principles will guide the considerations for dealing with the budget issues as follows: a) other cuts are inevitable and everything is on the table, b) the Governor remains committed to education as essential to Kentucky's success but may not be able to exempt large portions of the education budget and c) efficiencies and cuts together may not eliminate the deficit but the public cannot be let down.
- We cannot sabotage the future with current decisions. A solution will require sacrifice, commitment and creativity. The board will have to make some critical decisions because nothing reflects policy more than budget decisions. The advice is to concentrate on what is essential. The board's leadership is critical.
- Appreciation for the board's service was expressed along with wishing the board and all educators health, happiness and the deep satisfaction from doing a difficult job and doing it well.

Chair Brothers indicated that in small group discussions the board has focused on the need to protect SEEK funding to benefit schools and districts.

Secretary Mountjoy said she would carry that message back to the Governor and his Cabinet in their meeting later today.

REPORT OF THE EXECUTIVE DIRECTOR OF THE EDUCATION PROFESSIONAL STANDARDS BOARD

Dr. Phil Rogers reported the following:

- The National Board for Professional Teaching Standards Profile is being distributed to each board member. We just received our pass rates. Notice that Kentucky has 232 national board certified teachers and that now makes a total of 1,608 for our state. Kentucky's growth rate for national board teachers is right at 78%, which exceeds the average national rate of 55%. One thing that is not in the profile is that Kentucky has about a 50% pass rate compared to a national pass rate of 38%. This can be attributed to the fact that we are one of the few states that provides mentoring for our candidates. About 59% of national board teachers are where we need them to be, in Title I schools. A correction needs to be made on the incentives piece in that it was not listed that Kentucky provides five days of substitute pay and provides a mentor.

At this point Steve Neal asked about the status of the Kentucky Teacher Internship Program.

Dr. Rogers reported that as of now, we have not turned away anyone from being served by this program; however, he indicated that January will probably bring a different story.

Dr. Rogers continued with his report as follows:

- Regarding budget cuts, the Education Professional Standards Board is going through the same process as the Kentucky Department of Education. Going in from last year with a 17% reduction, another 4% will equal a 21% cut. This is quite significant.

REPORT FROM THE PRE-K TO 16 COUNCIL

Jeanne Ferguson indicated that the Council does not meet until next Monday; thus, there is no current report.

REPORT OF THE COMMISSIONER OF EDUCATION

Commissioner Draud reported the following:

- Yesterday, my schedule took me to Gallatin County to present a \$25,000 check to Myra Morgan, the Milken Award winner.
- An extensive budget report will occur later in the meeting, but the commissioner emphasized that he does understand the Governor's role in the budget and feels the same pain. He emphasized that education is the number one issue and if we take a step backward due to budget cuts, it will be a terrible mistake. The commissioner highly recommended that the Governor consider exempting SEEK from the cut; otherwise it could cause districts to go into the red or under the required 2% contingency.

PUBLIC COMMENT SEGMENT

Tim Heller, Superintendent of McCracken County, was recognized and came forward to talk about the facility plan that has been submitted by the district to the board for consideration. He noted that present in the audience was Neal Archer, local board chair; Brian Harper, LPC chair and Principal of Lone Oak High School; and Gorman Bradley, District Counsel. He then thanked the department staff for assisting the district on the facility planning process and proceeded to go through how the local board approached the consolidation issue and the facility plan.

INTERSTATE COMPACT ON EDUCATION OPPORTUNITY FOR MILITARY CHILDREN UPDATE

Secretary of Education Helen Mountjoy and KDE General Counsel Kevin Brown came forward for this presentation. Mountjoy began by saying this idea came about to see what could be done to make the transition smoother for children of military parents ensuring these students can move from one school district to another with as much ease as possible. She explained that the Council of State Governments collaborated with the Department of Defense on this initiative.

Kevin Brown noted that if one looks at the figures on the number of times children of military parents change schools, the need for this initiative becomes apparent. He went on to say that when ten states adopted the compact, it became active. He said that Senate Bill 68 adopted the compact provisions for Kentucky. Brown pointed out that it applies to children of active duty military personnel and provides for no delay in school enrollment giving them 30 days to get things like immunizations in order. He went on to say that as far as enrollment age, schools are to maintain the level the student is enrolled in and put them in classes that are similar in nature to ones they were taking in their previous school. Brown felt that Kentucky is ahead of the curve with Kentucky Virtual High School by being able to offer classes that the school may not provide. He continued that the compact also provides for gifted and talented and ESL services to continue as well as special education services to be comparable. Brown noted that additional excused absences are allowed for reasons connected with the military. He explained that the compact requires the receiving school to recognize a power of attorney of a guardian if this must be used to enroll a student or perform medical services. Brown stated that extracurricular activities must be made available to the students if they qualify and as far as graduation, the waiver of specific course requirements is allowed if similar courses have been taken. He pointed out that a state council must be created to oversee the implementation of the compact and that this council must contain certain members including the commissioner of education. Brown commented that a compact commissioner must also be named for the state.

Secretary Mountjoy then indicated that Colonel Mark Needham is Kentucky's compact commissioner and said that the state council includes two superintendents, Brady Link and Nannette Johnston; the new garrison commander at Ft. Knox, Colonel Lykes Swartz; Kay Kennedy and Chris Powell from the Kentucky Department of Education; the commissioner of education; and the two sponsors of Senate Bill 68, Senator Buford and Representative Damron.

Kevin Brown indicated that the council was set to meet December 2 but said that had to be cancelled. He explained there is a national interstate commission group that Colonel Needham attends that will settle any disputes or problems among the states.

Secretary Mountjoy noted there are dollars involved but said these are not to come out of the department's budget. She went on to say that the board could take action to include the children of civilian employees of the military in these provisions if it so desired.

Doug Hubbard said he was concerned that KHSAA needs to make sure that these students are ruled eligible for sports in a quick manner.

Kevin Brown said he would relay this to KHSAA and to the state council.

At this point, Dorie Combs moved to extend the provisions of the compact to civilian employees of the military and Kay Baird seconded the motion. The motion carried.

GOOD NEWS ITEMS

The following items of good news were shared by the board members noted below:
Judy Gibbons – Newport Independent Schools has been awarded Energy Education’s National Energy Pacesetter Award, given for achieving 23% energy cost savings in two years, totaling \$277,881. Energy Education’s founder and CEO Dr. William Spears said, “Reaching this level of savings, at this early stage in the program, is an extraordinary achievement.” Energy consumption was tracked in all five district schools. Congratulations to Newport Independent for this national recognition and considerable cost savings!

Austin Moss – Judy Glass, Warren County Instructional Supervisor, received the state award naming her as an “outstanding educator” from the Kentucky Association of Educational Supervisors for her professional activities, motivational skills, education innovation and professional consulting following her more than twenty years of service to the county school district. Superintendent Dale Brown said that Glass is “very deserving of the award as the district has reaped the benefits of her efforts to bring innovative practices and strategies back to the classrooms since her early involvement in the Kentucky Education Reform Act. Ms. Glass is focused 100% of the time on meeting the needs of students.” Congratulations to Judy Glass on being chosen for this recognition at the state level!

Jeanne Ferguson – Dr. Jacqueline Van Houten, World Language and International Education Consultant for KDE, has been named National Foreign Language State Supervisor of the Year by the National Council of State Supervisors for Languages. The purpose of the award is to acknowledge outstanding foreign language supervisory leadership at the state level among professionals whose leadership in facilitating the implementation of standards-based reform and advocacy for foreign languages has had a profound impact in their states and others throughout the country. She has been instrumental in establishing memoranda of understanding with the governments of France, Spain and China to bring teachers to Kentucky and develop school partnerships. Jacque has also helped develop a national self-assessment reflective learning tool for language and intercultural competencies. Congratulations to Jacque for the tremendous national honor!

UPDATE ON THE MASTER’S PROGRAM AND PRINCIPAL’S PROGRAM REDESIGN

Dr. Phillip Rogers, Education Professional Standards Board Executive Director, presented the following information:

- Why the redesign of the master’s degree program is necessary:
 - EPSB requirement for rank two
 - Research on value of having a master’s degree
 - Need for additional professional pathways

- Need for advanced skills
 - New teacher survey results
- Program design:
 - Focus on student achievement
 - Collaborative with districts and design of programs
 - Differentiated program based upon candidate interest and need
 - Endorsements and enriched permissions
 - Professional learning communities
 - Utilization of assessment data
 - Job-embedded professional experiences for candidates
 - Multiple career pathways
 - Ease of transferability across institutions and the program approval process
- Program curriculum:
 - Evaluate high-quality research on student learning
 - Emphasized differentiated learning and classroom management
 - Increased candidate expertise in content knowledge, as applicable
 - Encourage reflections that inform practice
 - Foster leadership development
 - Provide clinical experiences that enhance student achievement
 - Align curriculum with state and national standards and Core Content/Program of Studies
 - Utilize mixed delivery methods that might include:
 - Face-to-face
 - Workshop/Seminars/Symposia
 - On-line or distance learning
 - Practicum
 - Weekend/Night
 - District locations
 - Exemplary practitioners
- Continuous monitoring and evaluation of candidate progress in demonstrating the ability to impact P-12 student learning:
 - Evaluate practicums/clinical experiences
 - Conduct or design research projects
 - Develop a culminating performance-based assessment event (similar to a TPA project)
- Why redesign of principal preparation programs is necessary:
 - The need for effective 21st century school leaders is critical.

- The 21st century school leader is being held to a different standard.
- The 21st century school leader requires an additional skill set.
- The problem is two-fold.
 - Kentucky's current system of preparing and supporting principals, because it was designed to meet different expectations, is no longer adequate.
 - Although there has been movement to alter the framework of the existing system, changes have been inconsistent and infrequent.
 - The goal is simple but challenging.
 - Prepare principals to increase the achievement of all students through the skillful guidance and support of teachers as well as the capable management of school organization.
- Program selection of candidates:
 - Demonstrated ability to do graduate level work prior to principal preparation program admission.
 - Three years of successful teaching experience
 - Documented evidence:
 - Ability to improve P-12 student learning
 - School-level leadership
 - Advanced knowledge of curriculum, instruction and assessment
 - District and IHE joint screening of candidates
- Program design
 - Program focus on instructional leadership, student achievement, gap closure
 - Curriculum coherence with programs used for advanced teacher preparation and collaboration with academic programs outside of the field education
 - Signed collaborative agreements between district and program:
 - Joint selection of candidates, program leaders and mentors
 - Co-design of instructional units with input from districts
 - Plan to meet the leadership needs of the district
 - Commitment of the district to provide time and information for clinical experiences
 - Alignment of standards and performance indicators with the program curriculum and field experiences
- Program delivery
 - Co-delivery of courses with practitioners
 - Two levels of preparation with initial certificate granted at the completion of level I and completion of level II by first 5-year renewal
 - Evidence of rigorous formative and summative evaluations of each candidate's knowledge and skills

- Advocate, nurture and sustain a school culture that promotes and supports high levels of learning for all students
 - Manage a school for efficiency, accountability and safety
- Candidate's defense of a capstone project before program faculty and practitioners
- On-site visits and observations of field work (e.g., classroom observations, facilitation or participation in meetings, presentations to staff, committees, workshops, etc.)
- Program Review:
 - Universities will provide a structure for continuous program review in the tracking of graduate success as school leaders in promoting student achievement.
 - Educational leadership design program initiatives
 - Teacher pre-service and moves to teacher leadership, principal preparation, program redesign, principal internship, effective instructional leadership at (EILA) and student achievement.
- Implementation Strategies:
 - Establish student learning with EPSB goals.
 - Integrate teacher performance assessment into KTIP.
 - Combine the new and experienced teacher standards into one set of Kentucky teacher standards.
 - Document the need for redesign with stakeholders.
 - Include all stakeholders in the development of new program guidelines.
 - Require all advanced programs for rank change to be resubmitted for program review and approval.
 - Sunset all masters' degree programs on December 31, 2010.
 - Sunset all principal preparation programs on December 31, 2011.
 - Establish practitioner-driven protocol for program approval.

At this point, Judy Gibbons asked about the need for literacy courses in middle and high school for new teacher preparation programs.

Phil Rogers responded that an endorsement for literacy will be offered and said the task force is looking at the current requirements in this area.

Steve Neal expressed his concern about elementary math and science.

Rogers replied that mathematics is being examined and stated that he felt the state board also needs to look at mathematics standards.

KENTUCKY BOARD OF EDUCATION STRATEGIC PLAN PROGRESS REPORT

Deputy Commissioners Elaine Farris and Ruth Webb came forward for this presentation. Farris pointed out that the updates to the Progress Report appear in red font. She also noted that the department's daily work is centered around the four goals identified in the plan. Farris had a summary of progress and any gaps in the progress handed out to the board at the request of Chairman Brothers. At this point, she went through the progress report and summary goal by goal and entertained questions.

PRESENTATION OF THE JOSEPH W. KELLY AWARD

The 2008 Joseph Kelly award was presented to Mr. Al Rider and the North Central Education Foundation of Elizabethtown, Kentucky. Mr. Rider and the Foundation were recognized for their accomplishments and Rider accepted the award on their behalf. A luncheon followed in honor of the winners.

CREDIT ABUSE RESISTANCE EDUCATION (CARE)

Coming forward for this presentation were Jane Adams Venters, Todd Horstmeyer and Laura Day Delcato, all associated with the Kentucky Bar Foundation, which is the charitable arm of the Kentucky Bar Association. The board was apprised that the program was developed by a bankruptcy judge in New York and is in every state across the United States. The presenters were struck by the need for this to be presented to students before they get out of high school and wanted to make the board and department aware of it. They asked for any assistance in getting the information out to the schools.

Dorie Combs said that she thought that we needed to make schools and districts aware of this resource.

Division Director Michael Miller reported that these skills are part of the Core Content and said the department recently received a \$25,000 grant to do a financial literacy course module. He thought this program could be used as a resource in the module.

At this point, Austin Moss moved to offer an endorsement of this program as a component of the department's materials on this topic and Doug Hubbard seconded the motion. The motion carried.

THE KENTUCKY INSTRUCTIONAL DATA SYSTEM (KIDS) PROGRESS REPORT

Deputy Commissioner Elaine Farris referred the members to page 71 in the Agenda Book for the staff note on the Kentucky Instructional Data System. She noted that the department received \$5.8 million in federal funding for this system and introduced Bob Hackworth, Manager of KIDS, to give a short presentation and demonstration.

Mr. Hackworth presented the following information:

- KIDS is a longitudinal data warehouse, provides business intelligence/decision support and is a portal.
- KIDS is not a student information system, a data backup system or a financial management application.
- The system is funded through a \$5.8 million U.S. Department of Education grant.
- KIDS fits in our system by connecting the student information system, MUNIS, CATS, SRIM and other databases to the proposed P-20 data warehouse.
- The hardware is up, the data is in the system and we are now in the refinement stage.
- Data that will be added soon includes the scholastic audit information, advanced placement, ACT, high school feedback, teacher certification, KETS Technology Readiness Survey and KSIS.
- A statewide site license has been secured at no cost to schools and districts.
- We are in a pilot phase and KIDS is not yet released to others.
- A demonstration of the different reports that can be generated was presented at this time.
- Sustainability of KIDS will cost an estimated \$1.5 million per year for basic maintenance and enhancements. The funding for the regional grant ends in December 2008, a “non-cost” extension is being requested that will allow existing grant funds to be used past the project-end date.
- \$600,000 of E-rate funds have been identified to address KIDS sustainability through the end of the fiscal year. No additional ongoing funds have been dedicated or identified.

HEARING OFFICERS REPORT

General Counsel Kevin Brown came forward and reported the following:

- The regulations that the board passed in October received no comments and are proceeding through the regulatory review process.
- Yesterday at the Administrative Regulation Review Subcommittee, the subcommittee passed the technical amendments to 704 KAR 3:390 dealing with extended school services. This regulation will go into effect in the next 30 days.
- The Education Assessment and Accountability Review Subcommittee approved the board’s regulations on the inclusion of special populations in the state assessment, administrative code for the state assessment and the district report card for the state assessment. These regulations will go into effect in the next 30 days.
- The KHSAA regulation passed by the Board several months ago has been deferred several times due to changes requested by LRC that have taken more time than anticipated. The regulation has now been withdrawn and the old amendments that the board already approved have been incorporated into the new

amendments coming back to the Board this fall that the Management Committee will review beginning at this meeting.

ANNOUNCEMENTS

Chair Joe Brothers made the following announcements before moving to the committee meetings:

- The board will next move into committee meetings with the Management Committee starting its meeting shortly in the State Board Room once the full Board recesses.
- The Curriculum, Instruction and Assessment Committee meeting will be tomorrow morning with the start time being changed to 8:00 a.m. in the State Board Room.
- At 9:00 a.m. tomorrow morning, Commissioner Draud will bring greetings to the International Leadership Summit over the webcast here in the State Board Room for five minutes, followed by the full board reconvening.
- This evening at 6:45 p.m., the board will eat together as a group in the Seminar Room of the Capital Plaza Hotel. No business will be conducted.

MANAGEMENT COMMITTEE MEETING

Action/Consent Items

1. **District Facility Plans: McCreary County and Fairview, Southgate and Williamsburg Independent School Districts.** Committee Chair Doug Hubbard indicated that all of the facility plans comply with requirements. At this point, Kaye Baird moved approval of all submitted facility plans and Austin Moss seconded the motion. The motion carried.
2. **District Facility Plan Amendments: Daviess and McCracken County School Districts and Pineville Independent School District.** Associate Commissioner Larry Stinson explained that these districts were submitting changes to their plans that have been made during the cycle and noted that all have followed the correct procedures for making these changes. Dr. Stinson said that staff is recommending approval of all three even though one of them is not without controversy. He emphasized again that all followed the correct steps required by law.

Steve Neal then asked if it was true that two of the sitting board members in McCracken County ran and won the election even though they had opposition. The local superintendent verified this fact.

At this point Doug Hubbard asked the local superintendent, Tim Heller, if he had anything additional to add.

Superintendent Heller thanked the board for the opportunity and said that he had presented the facts regarding their facility plan amendment during the public comment section this morning.

Next, Steve Neal moved to approve all the submitted district facility plan amendments and Austin Moss seconded the motion.

Mr. Moss then acknowledged that he had heard all of the concerns from McCracken County expressed in the many emails to the board, but said he felt that approving the facility plan amendment was the action to take because it is in the best interest of learning. Steve Neal concurred with Mr. Moss' thoughts.

Chair Hubbard pointed out that the board's job is to look at whether the laws have been followed along with the rules and regulations.

The question was called and the motion carried.

3. **2008-2009 Local District Working Budgets.** Associate Commissioner Larry Stinson indicated that on the report for working budgets it shows all districts are in compliance. He pointed out that staff chose to highlight those districts with less than 3% in their budgeted contingency for the current year. Stinson said that all of the working budgets have a 2% budgeted contingency but said some are running very close to that level. He also clarified that there is a difference in the budgeted contingency, which is what is contained in the district's plan, and the ending balance, which is what actually happens when that plan is implemented. He then recommended approval of all working budgets.

At this point, Kaye Baird moved approval of the working budgets and Austin Moss seconded the motion. The motion carried.

4. **2008-09 District Tax Rates Levied.** Associate Commissioner Stinson stated that the board approved 138 tax rates in October and clarified that 33 others are coming before the committee today. He explained that leaves three districts left to complete the process and noted that all three are working on this matter.

At this point Austin Moss moved approval of all submitted tax rates and Steve Neal seconded the motion. The motion carried.

Action/Discussion Items

1. **702 KAR 3:090, Depository Bond (Final).** Associate Commissioner Larry Stinson said that this regulation responds to the statute that requires a school district to select a financial institution to serve as a depository for school district funds and noted that more than one institution can be chosen. He went on to say that before a bank can enter into its duties as a depository, it must post bond and shared that the penal sum of the bond is what is being defined by this regulation. Stinson explained that the regulation is saying the penal sum needs to be at least 103% of the current daily balance in each account or it can be based on the highest daily balance in each account in all months of the year. Additionally, he said that the bank or banks have to have the collateral to back this up. He went on to say that staff is proposing to clarify language in Section 3, page 2 of the regulation where language existed that was repetitive of statute or in conflict with statute and must be deleted per the advice of LRC staff. Stinson noted that on lines 12 and 18, options are explained for establishing collateral and that some districts expressed concern that this gives banks the actual decision of which way to proceed. However, he stated that the language does not eliminate districts' ability to guide those choices when putting together their bid specifications.

At this point Steve Neal moved final approval of 702 KAR 3:090 and Kaye Baird seconded the motion. The motion carried.

2. **Request for waiver of 702 KAR 3:030, Section 2(2) and Section 1(4) by the Jefferson County Board of Education.** Associate Commissioner Stinson explained that two parts of the regulation have been requested by Jefferson County for waiver. He said that the first is the level of coverage that must be kept within the district's deductible. He indicated that the district prefers \$500 million rather than 50% of the total replacement cost. Stinson reported that the other piece that the district is asking to be waived is the per occurrence and explained that if the two requests are put together it could save the district \$580,000. Dr. Stinson indicated the district is large enough due to its geographic size that it is not likely that a disaster would occur to wipe out all of the buildings. He noted that is one reason the waiver is being requested and said the district is pledging to keep within its own general fund a balance of the remainder of the deductible. He shared that staff believes this request to be reasonable and recommends the waiver be granted.

Doug Hubbard said he was concerned other districts would be making this same request and noted questions about its soundness. Steve Neal added that yesterday, the board heard Jefferson County is worried about its fund balance but now the committee is told the district is offering to keep the amount of the deductible within that balance.

Larry Stinson replied the amount would be \$300,000 and said that last year's history shows the district has the ability to meet this amount.

Doug Hubbard thought the legislature should modify this rule because he hated to think the board exposed districts to risk.

General Counsel Kevin Brown commented that the legislature gives the Kentucky Board of Education the authority by regulation to set the rate and coverage.

Steve Neal then continued that he thought there should be some study to give a systemic view of this issue statewide because he was worried in these economic times that this might not be a good idea.

Dr. Stinson stated that this waiver would allow the district to save dollars and at the same time put dollars aside. He noted that the decision is completely up to the board but said staff will be looking at this particular type of proposal in more detail in the near future to see if changes are needed in the regulation.

At this point Austin Moss moved approval to grant the waiver of 702 KAR 3:030 in the two requested sections and Kaye Baird seconded the motion. Steve Neal and Doug Hubbard voted no and Austin Moss and Kaye Baird voted to approve the motion. Therefore, Chair Hubbard said the committee could make no recommendation to the full board and the full board would have to decide this issue at the meeting tomorrow.

3. **Declaration of Emergency.** Dr. Larry Stinson noted that the Board had received two versions of the same data, one appearing in ABC order and the other appearing in the order of what the carryover percentages were. He pointed out that 20 or so districts do not have audited fund balances at this time because some audits are not yet completed for various reasons. He emphasized this illustrates the problem that the department experiences when we don't have the data of some districts and this affects the ability to do calculations that affect all districts. Stinson noted that the department will continue to work with these districts but said he doubted that we will have all of them until sometime in January and some might not be ready at that time.

Dr. Stinson went on to say that the board had already declared an emergency in two districts in October and reported that a third one would be added today based on their audited financial report. He said that Covington Independent ended the year with a \$65,552 deficit. Stinson noted that the superintendent is committed to doing what is necessary to get this under control including a reduction in staff.

Doug Hubbard then asked what the board could do to help staff with the problem in getting data in on time.

Stinson said that the culture about the preliminary steps that must occur in districts needs to be changed so that districts can report on time. He indicated that staff will be coming back to the board at a future meeting with possible changes in this area.

At this time Austin Moss moved to recommend the board approve a Declaration of Emergency for Covington Independent and Kaye Baird seconded the motion. The motion carried.

Review Items

1. **KHSAA Annual Reporting Requirements per 702 KAR 7:065.** Coming forward for the KHSAA items were Commissioner Brigid DeVries; President of the Board of Control Lonnie Burgett; Darren Bilberry, assistant commissioner; and Julian Tackett, also assistant commissioner. Commissioner DeVries said that she would first go to the staff note that dealt with the annual reporting requirements. She noted that KHSAA does expect its audit to be approved by the Board of Control on December 18 and will come back to the Board with that portion at the next meeting.

Doug Hubbard noted this item is for review and asked if there were any questions. None were brought forward.

2. **702 KAR 7:065, Designation of Agent to Manage High School Interscholastic Athletics.** Commissioner DeVries said that LRC and the Administrative Regulation Review Subcommittee asked for more detail in the handbook than usual and thus, the board will notice that in its review.

Chair Hubbard pointed out that the proposed bylaw changes are also included that accommodate the specific LRC requests. He then asked if KHSAA was going to change Bylaw 33.

Commissioner DeVries responded that a couple of items were tabled by the Board of Control even though they were approved by the membership. She explained that in KHSAA's discussion with LRC and the Administrative Regulation Review Subcommittee, there was a push back on these things. DeVries said the Board of Control took the initiative to table these because they were fairly restrictive in nature. She noted that one had to do with the language in Bylaw 33 with what takes place penalty-wise if a student athlete were to get an injunction against KHSAA. DeVries shared that these measures were to be applied if KHSAA prevailed following an injunction. However, she explained that the language was withdrawn by the Board of Control.

DeVries also clarified that the Board is actually looking at two groups of proposals, ones from 2007-08 that were already approved by the State Board and also the ones for 2008-09. She stated that KHSAA is asking for approval of all of these as they come through this time. DeVries went on to say that the Board will see language that relaxes some of the regulatory language dealing with joint custody matters so that students are not penalized in these instances and language on military transfers where eligibility restrictions would be waived. She did note that a proposal to close a loophole where students could move from point A to point B and be eligible at point C was considered, but shared that due to some unintended consequences, that has been tabled.

Doug Hubbard commented that the board had talked at this morning's meeting about the Interstate Military Compact and asked if the language in the regulation would take care of eligibility instances related to that compact.

Brigid DeVries responded affirmatively.

Austin Moss then asked KHSAA to make sure they look closely at the compact to be sure that its rules apply to KHSAA rules. He indicated that he would like as much flexibility from that compact as possible to be reflected in KHSAA's language.

Commissioner DeVries indicated that the schools and the Board of Control are very interested in implementing the streamlined due process procedure that was delayed due to the lack of approval by the Administrative Regulation Review Subcommittee. She emphasized that KHSAA is anxious to move forward with this provision.

Doug Hubbard noted that this provision was part of the recommendation from the KBE appointed Commission on Interscholastic Athletics.

3. **Kentucky High School Athletic Association Title IX Update of Phase 2 of the 2008-2009 KHSAA Audit Visit Schedule.** Kaye Baird said she had reviewed the list of schools to be audited relative to Title IX and asked about the consequences if schools do not comply with these requirements.

Darren Bilberry, assistant commissioner of KHSAA, came forward to address the information in this staff note. He explained that staff at the school level are asked to do an internal Title IX audit to help the school prepare for a visit from KHSAA's auditors. Then he said that the KHSAA auditors go over any deficiencies with the local school and a corrective action plan is put together along with a time frame to get the items corrected. Darren noted a lot of cooperation on the local level in completing these corrective action plans. He went on to say that 40 schools will be revisited this year on their Title IX compliance and highlighted that two times per year KHSAA holds Title IX workshops for schools.

4. **STAR Sportsmanship Program.** Mike Barren, associate commissioner from KHSAA, came forward to talk about this new program. He indicated that the problems in the area of sportsmanship facing us today can be traced back in large part to TV and the professional ranks. He noted that anything the Association can do to improve this area is a great step. Barren indicated as a former social studies teacher, he can recommend that this program is also great for character education. He explained it is being used by several states and said it started in Alabama where a 41% decrease in football ejections has been documented. Barren commented this is the first year for use of the program in Kentucky and said it is based on a simple methodology of STOP, THINK, ACT and REPLAY. He said it is a web-based system and is free to all schools and districts. Barren also noted that the Association has started using it in remedial situations with coaches. He noted that the program allows for compilation of data and stated that over 240 schools in Kentucky have already accessed it.

At this time, Lonnie Burgett, President of the Board of Control, asked to take the opportunity to compliment KHSAA staff as a fine group of hard working people that take their finances and work with the schools very seriously. He went on to say that Commissioner DeVries takes every eligibility case seriously and that the Board of Control is well aware of its responsibilities and considers all its work carefully and seriously.

5. **702 KAR 4:160, Capital Construction Process.** Associate Commissioner Larry Stinson said that about a year ago the board finalized changes to the facility planning regulation and said that the construction regulation is a companion piece. Stinson shared that the majority of the changes in this regulation involve updating terminology, dates, dollar amounts, and cites to American Institutes of Architecture documents.

Doug Hubbard then asked that when an architect signs a contract to draw up plans if the plans are owned by the district or the architect firm.

Larry Stinson said that the answer is not clear cut, but said the school is really buying the building and is given a copy of the plans to be kept onsite for maintenance purposes.

Division Director Mark Ryles continued that copyright laws protect the work of the architect but certainly the owner of the building is furnished with a copy of the plans to use for any type of maintenance issues. However, he said there are restrictions on the use of these plans by the owner and emphasized the design itself is protected by federal copyright. Ryles emphasized that a district could not use the plans to build another school without the approval of the architect.

Doug Hubbard then went on to ask if something could be put in the contract allowing use of the plans again.

Ryles responded that use of plans without the supervision of an architect could cause safety and liability issues. He explained that staff has tried to address these kind of issues through the availability of model plans on the Kentucky Society of Architects' website, which is linked to the department's website. Ryles noted that districts can look at prototypes on this site for information purposes and then if they wish to pursue a specific design, the architect can be contacted.

Larry Stinson commented that a firm could design two schools that were alike and reduce the design fee for the district. Mark Ryles confirmed that the regulation does allow for multiplicity of designs.

Austin Moss inquired if any language needed to be added to the regulation to make sure that women who owned construction companies and minority owned companies are given fair consideration for capital construction.

Mark Ryles responded that there is one company in Kentucky that has women as its principles and reported that this firm is very involved in school construction. He said that Jefferson County has a best practice recommendation in this area.

Larry Stinson said that staff will take a look to see if this kind of language could be inserted into the regulation before it comes back for final approval in February.

6. **School District Watch List.** Dr. Stinson reported that there is one more district to add to the watch list, which is Pulaski County. After being audited, he reported the district ended the year with a positive balance of \$94,000 (.14%). He noted that this district narrowly avoided becoming a deficit district and explained that it is essentially a bookkeeping issue related to the timing of a capital project. However, he emphasized the need to work with this district in an advisory capacity because their budget is so tight.
7. **Revisions to the Nutrition and Health Services Regulations in 702 KAR Chapter 6:**

- 702 KAR 6:010, Local Responsibilities;
- 702 KAR 6:020, District director;
- 702 KAR 6:031, Repeal of 702 KAR 6:030, Principal's responsibilities
- 702 KAR 6:040, Personnel; policies and procedures;
- 702 KAR 6:045. Personnel; food service employee qualifications;
- 702 KAR 6:090, Minimum nutritional standards for foods and

- beverages available on public school campuses during the school day;
required nutrition and physical activity reports;
- 702 KAR 6:075, Reports and funds

Division Director Paul McElwain clarified that the Kentucky School Nutrition Association inspired the major change in this regulation to clarify that we are no longer talking about just food service but about nutrition. He also explained that several technical changes were needed as well.

The committee congratulated Mr. McElwain on the recent awards to schools on their nutrition programs.

At this point the committee adjourned.

Thursday, December 11, 2008

CURRICULUM, INSTRUCTION AND ASSESSMENT COMMITTEE MEETING

Review Item

1. **Annual Report of the Kentucky Educational Collaborative for State Agency Children (KECSAC).** Coming forward for this presentation were Division Director Christine Powell, Branch Manager Nijel Clayton and Ronnie Nolan, Acting Director of KECSAC. Christine Powell began by saying there are 20,000 students in A-6 programs and 45,000 in A-5 programs. She pointed out that today's discussion will only deal with A-6 programs and turned the presentation over to Nijel Clayton.

Clayton referred to a one-page handout that the board had been given and clarified that the agencies involved with these children are the Kentucky Departments of Juvenile Justice, Community Based Services, Mental Health and Developmental Addiction Services and the Kentucky Department of Education. She summarized that the education of these students is provided in a non-district owned building. At this point she turned it over to Dr. Nolan.

Dr. Nolan reminded the Board that this is a very fragile population and noted that the Kentucky Performance Report on these students points out serious academic issues. He then thanked the Board for its priority on these students because it speaks volumes about the commitment to these students. Nolan indicated that the Department's staff involvement has been superb and at this time introduced Kay Parker, assistant director of KECSAC. Nolan noted that only 1,400 students were tested because the population is very fluid. He stated that students enter into A-6 programs typically four grade levels behind in reading and math. Nolan noted that he had provided board members with a supplemental packet of materials. He then went through a series of slides summarizing KECSAC interaction with A-6 programs.

Brigitte Ramsey then asked what types of pre and post assessments are used with these students.

Nolan replied that all programs must do some form of pre-assessment and said it is up to the district on what test is used.

Joe Brothers commented that it seems these programs do not have strong accountability.

Nolan agreed and said that is why KECSAC has recommended a universal pre/post test to be implemented. He stated that the schools do not actively know what the growth of the student is and KECSAC also does not know which programs are having the most or least impact in helping students gain academically. Nolan clarified that the pre/post assessment is in the action plan that is currently on hold due to the budget crisis.

Judy Gibbons then asked if the pre/post test had been developed yet.

Nolan replied that the Request for Application (RFA) was developed but did not get released due to the budget problems.

Brigitte Ramsey commented that she sees a great need for this but did not know why a special test would have to be developed.

Ronnie Nolan responded that the RFA allows for companies to bid using existing tests or by designing new tests.

Dorie Combs commented that we must face the reality of budget cuts.

Dr. Nolan said that it would be his recommendation to find the dollars to do the full project. He explained that 5% of KECSAC funds were allowed to be held for the first time to pay for this assessment. He then noted that the board may have heard that there is also an additional 4% cut to the KECSAC budget. With that in mind, Nolan stated, KECSAC would recommend to operate a pilot project and put it in some programs in the spring. He said that would be significantly less than the full program but stated that next year, then hopefully the 5% amount could be used to complete full implementation. He felt that the pilot approach was a good compromise and asked the board to consider that approach.

Judy Gibbons stated that the board still holds this as a high priority, but at this time it just does not know the final figures of the budget cuts.

Dr. Nolan then went over the separate handout and talked about the levels of intervention that KECSAC is implementing and emphasized that KECSAC is

trying to hold programs accountable. He also reported that he has been working with the department to have the A-5/A-6 programs included in the scholastic audit and then to provide training to the audit teams as to how to examine these programs. Nolan also talked about a transition research project where a report will be coming forward on students moving from one program to another or from the regular high school to an alternative program. He indicated the study will be released in January and said the board will receive a copy. Another initiative that he pointed out was Phase 2 of a study on best practices for transition and the Achieve 3000 project involving 20 sites focusing on reading.

Thursday, December 11, 2008:

GREETINGS TO THE INTERNATIONAL LEADERSHIP SUMMIT

Commissioner Jon Draud began the meeting with a brief greeting to the participants of the International Leadership Summit over the webcast.

TASK FORCE ON ASSESSMENT AND ACCOUNTABILITY

Commissioner Jon E. Draud went over the recommendations from the Task Force on Assessment and Accountability that appeared on pages 340 and 341 of the Agenda Book. He said that the work of the task force will be continued through a work group and asked Associate Commissioner Ken Draut to explain this approach.

Associate Commissioner Draut said there were two items to address through a work team, looking at the design of the next assessment and accountability program and looking at the Arts and Humanities proposal. Draut noted that the Department has begun work on formative/balanced assessments and providing training to teachers in this area. Relative to the Arts and Humanities proposal, Draut said this item will require legislative action and will come forward for action in the next agenda item. He said he wants to start the work team items in February to look at what would be best for the next generation of the assessment and accountability program. Draut said he believed that it would take monthly meetings over the course of the year due to the complexity of the topic. He indicated that the task force would be convened quarterly to get updates on the work.

Dorie Combs asked that teachers and teacher educators be considered for spots on the work team.

At this point Ken Draut walked through the Arts and Humanities proposal with the board. He summarized that in 2004, the Board required staff to look at different ways to measure what students are doing in the Arts. He indicated that staff created a procedure that went through the School Curriculum, Assessment and Accountability Council and the National Technical Advisory Panel on Assessment and Accountability relative to piloting that procedure. Draut noted that the pilot was designed based on their guidance and it

occurred last year with a report to the board's curriculum committee. He indicated that this work did come forward to the task force and they received it very favorably. Draut went on to say that it was also reviewed by the Superintendents Advisory Council and the School Curriculum, Assessment and Accountability Council for a second time as well as the Arts Advisory Group. Draut said it has come full circle back to the board and went through the handout on this proposal that described the model in detail.

At this point, Kaye Baird moved to accept the report of the task force and Billy Harper seconded the motion. The motion carried.

THE PROPOSED KENTUCKY BOARD OF EDUCATION 2009 LEGISLATIVE AGENDA

Legislative Liaison Frank Rasche went through the proposed legislative agenda found on pages 344 to 347 of the Agenda Book. He then noted that Secretary Mountjoy had asked that the children of civilians working for the military be included in the Interstate Compact provisions and said that General Counsel Kevin Brown had advised that a statutory change should be pursued to allow this. He commented that the question had been asked if this proposal should include the children of military contractors.

Billy Harper said that one would have to be careful with the definition of contractors because some are only there five days and he felt that it would need to be focused on those there for the long-term, if considered at all.

It was decided that the board would only pursue a legislative change to include children of civilian employees of the military for purposes of the provisions of the compact.

Several questions and comments were then made on the Blue Ribbon Panel on Interventions and Low-Performing Schools recommendation to add chronic low student academic performance as a cause for removal of a superintendent or school board member. Some of that discussion included:

- This provision could be politically problematic when looking at large versus small districts.
- If we wait six years to intervene, then it seems there is no reason to bother with the intervention.
- We do not tolerate financial incompetence.
- It does send a message that this board is serious about academic progress.
- It seems that if the commissioner feels the superintendent has neglected his or her duty academically, the commissioner could recommend to this board for removal to occur.

- The statute is overly broad and needs defining.
- The challenge for this board is to consider if we are willing to step up and say that \$100,000 misuse of funds is as serious as academic problems.
- Academic performance is as important as financial performance and a message needs to be sent in this area.
- We already have tools to use over the six years and it is not certain that this would be an effective tool. This may not be the session in which to address this matter.
- It worries me when students don't have good leadership for six years.
- We are talking about a minute number of districts and we must take the responsibility to make a statement about what our job is.

At this point Billy Harper moved to approve the legislative agenda including the amendment to include the children of employees of the military in the compact provisions. Kaye Baird seconded the motion. Before this motion was voted on, however, Steve Neal moved to amend the motion to remove from consideration the Blue Ribbon Panel's recommendation on adding chronic low student academic performance as a cause of removal for a superintendent or school board member. Austin Moss seconded the motion and it carried with Judy Gibbons and Kaye Baird voting no. Next, the Board voted on the amended motion to approve all legislative proposals including the one to have the children of employees of the military included in the compact provision but excluding the Blue Ribbon Panel's recommendation on removal of the superintendent or school board member for academic performance. The motion carried.

Next, Billy Harper moved to approve the Blue Ribbon Panel's recommendation on adding low student academic performance as a cause for removal of the superintendent or school board member and Doug Hubbard seconded the motion. It carried with Dorie Combs, Steve Neal and Austin Moss voting no.

SETTING DATES FOR CHRONICALLY LOW-PERFORMING SCHOOL DISTRICTS TO REPORT TO THE KENTUCKY BOARD OF EDUCATION

Associate Commissioner Sally Sugg reminded board members that in October, Jefferson and Christian Counties and Covington Independent all reported on their improvement efforts. She continued that staff is recommending that the board look at specific needs in each district as far as when they will come before the board again. She indicated that for Christian County, which is in its second year as a Tier III district, the board received a good report in October from the new superintendent. Sugg commented that staff is recommending a bi-annual report in June and October of 2009 for the Christian County School District. Relative to Jefferson County, she noted that the board also got a detailed report and that relatively new leadership exists in that district. She noted that ASSIST

Teams meet monthly with the districts and are monitoring their improvements closely. Sugg recommended the same reporting schedule for Jefferson County and as for Christian County. For Covington Independent, she stated that staff is recommending this district report quarterly and said that the district staff will come back before the board in February.

Sugg then went on to say that staff in the Office of Leadership and School Improvement is working very closely with the offices across the department. She reported that eight visits have been made recently to other districts that have been very positive. However, she recommended that one district be added to the list to come before the Kentucky Board of Education. She stated that Union County has a new superintendent who is making lots of changes in a district where the middle school is in Tier V and AYP has not been met for six years. Sugg noted that the district is not required to accept the department's assistance, but said the offer was made to that district. She indicated this is the only district that is not accepting assistance. Sugg reported the Union County superintendent is reluctant to participate and therefore department leadership suggested a letter come from him to the Commissioner on why the assistance was refused; however, this was not done. Therefore, she indicated staff is recommending that Union County come before the Board in February and also quarterly.

At this point Doug Hubbard moved to accept the recommendation on Covington Independent and Union County for quarterly reports and two times per year for Jefferson and Christian Counties. Judy Gibbons seconded the motion. The motion carried.

BUDGET UPDATE

Commissioner Draud noted that Petie Day will be retiring soon and will be missed due to his expertise on the budget. He characterized Petie Day as a good person and good friend. Mr. Day received a standing ovation.

Dr. Draud then stated that he appreciated the Governor's sparing of SEEK from budget cuts and putting education at the top of the list in importance. Petie Day then went over the current budget and answered questions followed by Associate Commissioner Greg Rush talking about the plan the department will have to bring forward for a 2% cut. Rush said he wanted to recognize Joe Lancaster, Mary Ann Miller, Susan Palmer, Kevin Brown, Lisa Gross, Deputy Commissioners and Associate Commissioners for their help on gathering data for the budget plan. He explained that the Governor has exempted SEEK and now a 2% cut has to come from the department that will equal around \$8 million. Rush indicated that the approach will be to make the cuts with the goal of impacting districts the least. He stated that staff will come back to the board with this plan.

Steve Neal emphasized that if the cigarette tax initiative is not successful in the legislature, then this potentially means a cut in SEEK and a 4% cut in the Department.

Joe Brothers said that the board sent a message to the Governor yesterday asking to exempt SEEK and noted that it was granted. Brothers emphasized there is much at stake in education and said he urges people in the legislature to generate revenue in order to protect SEEK and education itself. Brothers thought the board should think about taking a position on the cigarette tax as a way to generate revenue.

Steve Neal shared that he was pleased the Governor is taking this position and thought it was incumbent on the board to support the Governor and make a statement it supports revenue enhancement.

Judy Gibbons commented that cigarettes have a bad impact on children and said she could endorse this tax.

At this point Steve Neal moved to support the Governor's proposal for a 70 cent cigarette tax and doubling of the tax on non-smokable tobacco products. Judy Gibbons seconded the motion.

Billy Harper indicated he was hesitant to support any taxation because he said that was the role of the Governor and the legislature.

Dorie Combs said she would agree but noted that the Governor has made such a proposal and thought the board needs to support that.

The question was called and the motion carried with Billy Harper voting no.

Dorie Combs then asked what the process would be on coming up with the 2% reduction proposal.

Greg Rush responded that staff will look at each program and come back to the board with a proposal.

Dorie Combs then said she had asked staff to give the board information on the Infinite Campus situation since lack of funding for that program exists and said the information appears at each board member's place.

Greg Rush went on to say that the department does not have the dollars for operating the Infinite Campus system. He said there are over 100 districts now on the system because there is sufficient funding to get through the implementation phase. He clarified the operating dollars are the problem and explained that roughly \$7 million is needed. Rush recommended that no options be taken off the table including billing the districts until we find out about our funding from the legislature. Rush felt we are too far out with implementation to withdraw this system.

Dorie Combs went on to say that it is not a choice of one system or the other and said we need to proceed with this implementation because it includes components that districts

were paying for previously. She emphasized staff needs to figure out how to solve this problem.

Greg Rush responded that staff would come back to the board with possibilities and a recommendation.

Dorie Combs also noted that the board needs to know how it can be involved during the legislative session to help advocate for its initiatives. She asked that staff pull together strategies for the board's involvement.

APPROVAL OF ACTION/CONSENT AGENDA ITEMS

Billy Harper asked that the facility plan amendments be pulled out from the group of items that are usually approved together. Therefore, Doug Hubbard moved on behalf of the Management Committee to approve the district facility plans, local district working budgets and local district tax rates levied. The motion carried.

At this point Doug Hubbard then moved on behalf of the Management Committee to approve the facility plan amendments from Daviess and McCracken County School Districts and Pineville Independent. Billy Harper asked to recuse himself from voting on this agenda item. The motion then carried.

REPORT OF THE AUDIT COMMITTEE

Chair Brigitte Ramsey reported the committee reviewed the expenses of the commissioner and the board and found them to be in order. She also noted that the committee looked at the A-133 desk reviews and the child and adult care food program for federal FY2007. She noted that the Department will be following up on any issues that need to be finalized on these audits and then on behalf of her committee she moved that the Board accept these audit reports. The motion carried.

REPORT OF THE MANAGEMENT COMMITTEE ON ACTION/DISCUSSION ITEMS

Chair Doug Hubbard reported on the following items:

- 702 KAR 3:090, Depository Bond (Final) – Chair Hubbard moved on behalf of his committee for the board to give final approval to 702 KAR 3:090 and the board concurred.
- Request for waiver of 702 KAR 3:030, Section 2(2) and Section 1(4) by the Jefferson County Board of Education – Chair Hubbard indicated that Jefferson County was requesting this waiver that related to insurance provisions. He noted that the Management Committee was split two to two on this issue and said that Dr. Stinson was here to explain it.

Billy Harper added that in private industry, one does not insure anything on which the company can absorb a loss. He recommended that if Jefferson County can do this and maintain its 2%, then we should allow this flexibility.

Dr. Stinson said he liked Mr. Harper's suggestion and said he would be looking at this for other districts to consider in the future. He said that staff is already preparing to review the related regulation.

At this point, Billy Harper moved to grant this waiver request for Jefferson County for a period of one year and then staff should pursue a regulatory change if merited. Kaye Baird seconded the motion and the motion carried.

- Declaration of Emergency – Chair Hubbard said the committee is recommending to add Covington Independent to those districts that have declared an emergency and he so moved. The Board concurred.

BOARD MEMBER SHARING

The following items were brought forward:

- Doug Hubbard asked that staff make sure KHSAA is looking at the Interstate Compact so there will be no problems for children of the military or children of civilian employees that work for the military.
- Billy Harper said that the board had heard some good proposals from the Kentucky Bar Foundation on economics. He said he felt the initiatives in this area are fragmented and need to be pulled together. He asked the department to look at the resources and see if this could be done.
- Dorie Combs said she and Brigitte Ramsey attended the NASBE conference in October along with Mary Ann Miller and Kevin Brown. Combs noted she was involved in a presentation on the NASBE middle school study group at the National Middle School Association conference.
- Austin Moss reminded the board that on January 10 the second education summit in Christian County will be held where C.B. Akins and Elaine Farris will be featured as speakers. Moss was asked to send the details to Mary Ann Miller.
- Judy Gibbons said that last month in Northern Kentucky the second education event focused on literacy and had a large turnout. She indicated 100-150 people signed up to be mentors.
- Kaye Baird reported that she and Jeanne Ferguson were at Klondike Elementary where the U.S. Department of Agriculture recognized over 100 Kentucky schools for their achievement in the nutrition area.

- Brigitte Ramsey stated that the statewide dropout summit will be held as a activity of the First Lady's Task Force on Dropout and that this statewide summit will be followed by regional meetings.
- Joe Brothers reported his attendance at an SREB meeting and asked that career and technical education be put on an upcoming board agenda.

LITIGATION REPORT

Austin Moss moved to go into closed session to discuss litigation per KRS 61.810(1)(c). Dorie Combs seconded the motion. The motion carried.

The board came out of closed session on a motion by Steve Neal and a second by Doug Hubbard. The motion carried. No action was taken in the closed session.

INTERNAL BOARD BUSINESS

The board was asked to approve Billy Harper's participation on a NASBE policy committee and Brigitte Ramsey's participation in the NASBE dropout study group. Dorie Combs moved approval of these items and Steve Neal seconded the motion. The motion carried.

CLOSED SESSION TO DISCUSS PERSONNEL

At this point, Judy Gibbons moved approval to go into closed session per KRS 61.810(1)(f) and Dorie Combs seconded the motion. The motion carried.

The board came out of closed session on a motion by Kaye Baird and a second by Austin Moss. The motion carried. No action was taken in the closed session.

APPROVAL OF THE COMMISSIONER'S EVALUATION DOCUMENT

Doug Hubbard moved to approve the Commissioner's evaluation document and Kaye Baird seconded the motion. The motion carried.

ADJOURNMENT

Kaye Baird moved to adjourn and Doug Hubbard seconded the motion. The motion carried.